

CDBG Policy Committee Meeting
Tuesday, February 8, 2005
MINUTES

Present:

Chesley Christensen, Mayor, Mt. Pleasant - SCAOG
Jerry McNeely, Commissioner, Southeastern Utah ALG
Constance Robinson, Mayor; Paragonah - FCAOG
McKay Willis, Mayor, Laketown - BRAG
Carol Page, Commissioner; Davis County - WFRS
Lewis Marchant, Mayor; Kamas - MAG

Excused:

Mike McKee, Commissioner; Uintah Basin AOG

Guests:

Danny Temkin, Temkin International; Lynn Abplanap, Temkin International; Kelly Jorgensen (Salt Lake HUD Office), Lamar Brooks, Barnes Bullets; Clark Bronson, Barnes Bullets; Garth Daniels, CDFI (Community Development Financial Institution)

AOG Staff:

Emery Polelonema, Six County AOG; Heidi DeMarco, Mountainland AOG; Diane Lamoureux, Five County AOG; LaNiece Dustman, Wasatch Front Regional Council; Yankton Johnson, Uintah Basin AOG; Debbie Hatt, Southeastern Utah ALG

DCED Staff:

Gordon Walker, Keith Heaton, Glenna Matekel, Cheryl Elliott, and Julie Tuimauga

1. **WELCOME/INTRODUCTIONS, Mayor Chesley Christensen:** The meeting was held at the Department of Community and Economic Development, Conference Room 501, at 324 South State Street, #500 in Salt Lake City. The meeting started at approximately 1:30 p.m.

Nominations for the chairperson and the vice-chairperson of the Policy Committee were solicited for the year 2005. Mayor Christensen was nominated to serve a fourth term as the chairperson and Commissioner McNeely was nominated to serve a second term as the vice-chairperson. There being no further nominations, the following motions were made.

Motion: Mayor Constance Robinson made a motion that Mayor Christensen continues to serve as the chairperson. Commissioner Jerry McNeely seconded the motion and the motion carried.

Motion: Mayor Robinson made a motion that Commissioner McNeely continues to serve as the vice-chairperson. Mayor Lewis Marchant seconded the motion and the motion carried.

Approval of Minutes (August 2004): The board accepted the minutes as written.

Motion: Commissioner McNeely made a motion to accept the minutes. Mayor Robinson seconded the motion and the motion carried.

2. **OVERVIEW/STATE CDBG PROGRAM, Cheryl Elliott:** As there were no new members for the committee, Cheryl said that she would answer any questions regarding the program that needed further clarification. There were no questions.

3. **HOUSING SET-A-SIDE, Keith Heaton:** Through a request from Richard Walker, director for Housing (Housing & Community Development Division), Keith proposed a housing set-a-side. The amount for the set-a-side would be up to \$150,000 with about \$20,000 for housing administration for each region. The allocation would be taken off the top of the state's allowance. HUD allows for housing activities with CDBG funds. The set-a-side would also supplement the funds from the Olene Walker Housing Loan Fund in each region. Debbie Hatt from SEUALG (Southeastern Utah Association of Local Governments) spoke briefly on how their allocation is used for housing activities.

A discussion was generated and the committee members voted against the proposal for a housing set-a-side.

Motion: Commissioner McNeely made a motion not to accept the proposal for a housing set-a-side. Mayor Marchant seconded the motion and the motion carried.

4. **INTERIM LOANS:** Representatives from three companies within the state were present at the meeting – Barnes Bullets, Temkin International and Garth Daniels with CDFI (Community Development Financial Institutions). Previously, Barnes Bullets and Temkin International worked with the Business Development division of the department to help finance their needs due to growth. However, assistance fell through with the new changes in state government administration.

CDBG funds can be used for economic development that would provide jobs for low-moderate income individuals. Keith said that funds are available to make the loans and would need letters of credit to secure them. In the past, loans had been made with a 2 percent interest rate. Keith has received a letter of credit for Temkin International and has spoken with the bank of Barnes Bullets.

Barnes Bullets in American Fork is an innovator of bullets since 1974. It has a contract with Thiokol to exclusively produce bullets for the military. This will create possibly 40 new median-paid jobs. Barnes Bullets is asking for a \$1.035 million loan.

Motion: Mayor McKay Willis made a motion to approve the loan amount of \$1.035 million requested by Barnes Bullets with a 2 percent interest rate. This approval is pending receipt of letter of credit from their bank. Mayor Robinson seconded the motion and the motion carried.

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Temkin International is in Springville and also has locations in Canada and Florida. Temkin specializes in gift-wrapping and also produces supplies for scrap booking. It has five different warehouses that they want to consolidate into one. Temkin has identified a warehouse in Payson to relocate about 300 employees; it is also expecting to add 50-70 new jobs for low-moderate income people. Temkin is asking for a \$2 million loan.

Motion: Mayor Robinson made a motion to approve the loan amount of \$2 million requested by Temkin International with a 2 percent interest rate. Commissioner McNeely seconded the motion and the motion carried.

Garth Daniels from CDFI requested a letter of support from the committee to show his potential investors that the CDBG Program is willing to loan money to any businesses that fit the program's requirements.

Staff was asked to draft a letter of support and E-mail it to the committee members for approval.

5. **CONSOLIDATED PLAN, Keith Heaton:** Keith reviewed the updated version of the Consolidated Plan with committee members. The plan contains information collected from all seven regions regarding community and economic development priorities in their local communities. Keith asked for approval of the plan from the committee members.

Motion: Commissioner McNeely made a motion to approve the updated version of the Consolidated Plan. Commissioner Carol Page seconded the motion and the motion carried.

6. **HUD'S PROPOSED ALLOCATIONS/2005, Glenna Matekel** – A copy of the proposed allocations was provided to the committee. Glenna explained what the amounts are for each region. She encouraged the AOG (Association of Governments) staff to review the amounts and let the state staff know if there are any questions.
7. **COSCD A MEETING, Keith Heaton:** Keith attended the COSCDA (Council on State & Community Development Agencies) meeting in November where there was discussion on survey methodology and performance measurement. The state already has a survey methodology in place and being utilized. Keith felt that OMB (Office of Management & Budget) and HUD are pleased with the performance measurement tools being implemented in the CDBG Program.

Keith also talked about the President's new budget in which the CDBG Program is being merged with other domestic programs such as CSBG (Community Services Block Grant) to a new program called Strengthening America's Citizens (SAC) under the Department of Commerce.

8. **DATE/LOCATION of RETREAT:** Uintah Basin AOG will be hosting the retreat on June 22-23. More details will follow as they become available.

The state staff will send out information on the training workshop dates when they are determined.

9. **ADJOURN:** There being no further items of discussion, the meeting was adjourned at 4:00 p.m.